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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC NO. 04980-84
29 August 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: George Kolt
National Intelligence Officer for Europe

SUBJECT: Follow-on to the 28 August NSC Meeting on Poland

1. After the meeting I spoke with Paula Dobriansky, the NSC staffer on Poland. She expects that in a week or so State will send her its evaluation of how complete and reasonable the amnesty has been. She then plans to circulate it to the Agencies for comment before having it forwarded to Mr. McFarlane and the President for a final decision.

2. Paula also expressed hope that other Agencies, primarily State, would pick up Mr. McFarlane's suggestion at the meeting to devise a more comprehensive approach to Poland than just a step-by-step removal of sanctions. I told her that our thoughts ran along similar lines and suggested that this might be a good discussion item between you and Mr. McFarlane. I recommend that you put it on the agenda for your next meeting with Mr. McFarlane. To that end I have slightly revised the paper I gave you on Monday the 27th dealing with "possible elements of a more comprehensive US approach towards Poland." You may also want to discuss it with Secretary Shultz.


George Kolt

Attachment:
Talking Points



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NIC No. 04980-84
29 August 1984

MEMORANDUM FOR: DCI
DDCI

FROM: NIO/EUR

SUBJECT: Follow-on to the 28 August NSC Meeting on Poland

Distribution:

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- 1 - NIO/EUR (sub)

NIO/EUR/GKOLT,
(29AUG84)

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Attachment

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Proposed DCI Talking PointsPossible Elements of a More Comprehensive
US Approach toward Poland

- You mentioned at the NSC meeting that the USG should think beyond the IMF issue and devise a strategy which takes us further. I agree with you.
- While we observe whether Jaruzelski frees all political prisoners and how he implements the amnesty we should devise a more comprehensive package.
- Our interrelated objectives should be to push Poland toward greater pluralism, economic efficiency, and financial recovery.
- The political elements of a more comprehensive package could include some Polish political reforms such as:
 - The permission to create new trade unions apart from either Solidarity or the government trade unions.
 - Parliamentary elections with broadened non-party participation.
 - Recreation of autonomous cultural organs like the Writers' and Journalists' unions.
- Its economic elements could include:
 - Widened scope for the Polonia enterprises (small private enterprises in Poland owned and financed by Western businessmen usually of Polish descent) and encouragement of Western involvement with them.
 - The introduction of workers' participation in the management of enterprises, along the lines being worked out before the imposition of martial law.
 - If the Church fund for agriculture works out, increased Western private and governmental support for it as well as discussions about its expansion to cover small private service enterprises.
- Its financial elements could include:
 - The development of a financial repayment package among Western official and private creditors (with rescheduling and the recycling of some repayment along the lines of the Yugoslavia package.)
 - Again granting Poland MFN status.

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC No. 04924-84
27 August 1984

AH. ER84-7052

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: George Kolt
National Intelligence Officer for Europe

SUBJECT: Update Talking Points for 28 August NSC Meeting on
Poland and the IMF

1. We have now received the promised issues papers for the NSC meeting and they turn out to be not a joint but separate State and Treasury papers (Tab B).

2. As expected, the underlying assumption in the State paper is that US approval of the resumption of IMF negotiations over Polish membership is just a matter of time. Thus the last paragraph states that "once we have determined that the amnesty decision has been completely and reasonably implemented . . .", we should inform our Allies, Poland, and the public that the IMF negotiations may start. A draft press statement to that effect is attached. Unfortunately for State, events in Poland over the weekend have not gone in a positive direction. As of Friday it seemed that only two prisoners (Lis and Mierzejewski) might face charges that would exempt them from the amnesty. Now the Polish government has announced that 630 prisoners have been freed but that 22 were still being held on charges not affected by the amnesty. State also downplays the warnings that have already been issued to some recently released prisoners and the possibility of rearrests. State's paper therefore is too optimistic.

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3. Treasury's paper concentrates on the financial situation and reveals considerable concern over the reactivation of Poland's application. It evinces doubt that Poland would provide the required data or implement fully IMF membership obligations; shows unease about increasing East European participation in the IMF; and notes the Congressionally-required Treasury certification that IMF membership would provide, inter alia, a basis for correcting a new member's balance of payments problems and for advancing market-oriented forces. Treasury wryly comments that "implementation of this legislative requirement for Poland could pose serious problems."

4. Except for an update on the prisoner situation (as shown in the Attachment and already inserted in your book) your talking points do not seem to require modification. The talking points on the political situation are more comprehensive and balanced than State's analysis. Those on the financial situation overlap slightly with Treasury's on Poland's position vis-a-vis IMF and on the likely course of the application process but provide much more detailed financial data on Poland's current situation and on possible implications of IMF membership.


George Kolt

Attachment
a/s

Update to DCI Talking Points
for
28 August NSC Meeting on Poland and IMF

On Page 2, change the second and third bullets (starting with "according to . . . " and ending with ". . . . about them") to read:

- According to Polish government figures the number of political prisoners in July 1984 stood at 652. Over the weekend the government announced that it has freed 630 but that 22 were still being held on charges not affected by the amnesty. Cardinal Glemp has also stated publicly that 630 have been freed. But, so far, we have no church or other independent assessment of the exact numbers remaining in jail.
- The number 22 presumably includes the prominent Solidarity leader Lis and an associate (Mierzejewski) who were arrested some three months ago and may be charged with treason -- a charge that would exempt them from the amnesty. According to the government, the charges against the rest of the 22 are criminal in nature and are therefore not covered by the amnesty. But, according to our Embassy, the government is still talking to the church at least about Lis and his associate.

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Executive Secretary

Date

President
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IF Membership, August 28 (S)

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#0892NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

August 21, 1984

Executive Registry

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MEMORANDUM FOR MR. DONALD GREGG
 Assistant to the Vice President
 for National Security Affairs

COLONEL R. J. AFFOURTIT
 Executive Secretary
 Department of Defense

MRS. HELEN ROBBINS
 Executive Assistant to the Secretary
 Department of Commerce

DR. ALTON KEEL
 Associate Director for National
 Security Affairs—
 Office of Management and Budget

MR. THOMAS B. CORMACK
 Executive Secretary
 Central Intelligence Agency

THE HONORABLE HARVEY FELDMAN
 Washington Representative to the United States
 Representative to the United Nations
 Department of State

MR. DENNIS WHITFIELD
 Office of the U.S. Trade Representative
 Winder Building

MS. TERESA COLLINS
 Chief, Secretariat Staff, Executive Secretariat
 U.S. Information Agency

BRIGADIER GENERAL GEORGE JOULWAN
 Executive Assistant to the Chairman
 Joint Chiefs of Staff

SUBJECT: NSC Meeting on Poland's IMF Membership, August 28 (S)

A National Security Council meeting will be held on Tuesday, August 28, 1984, at 11:00 a.m. in the Cabinet Room, to review our position on Polish IMF membership in light of Poland's recent implementation of the amnesty. Agency principal plus one are invited. (S)

Robert M. Kimmitt
 Robert M. Kimmitt
 Executive Secretary

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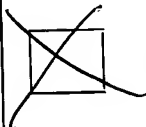
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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Follow-on to the 28 August NSC Meeting on Poland

FROM:

George Kolt
NIO for Europe

EXTENSION

NO.

NIC No. 04980-84

DATE

29 August 1984

25X1

TO: (Officer designation, room number, and building)

DATE

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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